

**The following item will be discussed at the Public Hearing of the Standing Committee on Finance and Operations to be held on Tuesday, May 23, 2017 7:00 p.m. in Room 410 at the Durkin Administration Building:**

ros #7-3 - Administration (January 25, 2017)

FY18 PRELIMINARY BUDGET ESTIMATE

ITEM: ros #7-3

STANDING COMMITTEE: **FINANCE AND OPERATIONS**

DATE OF MEETING: Tuesday, May 23, 2017

ITEM: Administration (January 25, 2017)

FY18 PRELIMINARY BUDGET ESTIMATE

PRIOR ACTION:

2-2-17 - Referred to the Standing Committee on Finance and Operations.  
Mr. Monfredo made the following motions:  
Request that the School Committee forward a letter to the local delegation, the Governor and the Massachusetts Association of School Committees to request full funding for the Charter School reimbursement and the Special Education Circuit Breaker.

BACKUP:

Annex A (12 pages) contains a copy of the FY18 Budget Presentation.

PRIOR ACTION (continued)

2-2-17 - Request that the School Committee forward a letter to the local (continued) delegation, the Governor and the Massachusetts Association of School Committees in support of Senator Chang Diaz's bill to move forward with the recommendations of the Foundation Budget Review Commission.

Request that the School Committee forward a letter to the Massachusetts Association of School Committees requesting that other members across the State support "An Act Modernizing the Foundation Budget for the 21<sup>st</sup> Century."

Request that the School Committee forward a letter to the local delegation to support Senator Jehlen's bill on School Choice.

Request that the Administration ask the City Council to support the above-mentioned School Choice bill.

On a voice vote, the motions were approved.

Mr. O'Connell made the following motion:

Request that the letter that Mr. Monfredo wants sent out include the following requests that the State:

- reinstate the full day Kindergarten Grant
- address the funding for Advanced Placement students
- increase Charter School reimbursement and the Circuit Breaker to appropriate levels under or independent of the Foundation Budget

On a voice vote, the motion was approved.

Miss Biancheria made the following motions:

Request that safety issues be subsumed under the Foundation funding as a separate category.

Request that the Administration provide a list of the schools with classes that have more than 26 students.

Request that the Administration separate Grant, Foundation and City funding in future reports.

On a voice vote, the motions were approved.

Ms. Colorio made the following motion:

Request that the Administration provide a report in a Friday Letter to include the technology costs for the 2016 and 2017 Budgets.

On a voice vote, the motion was approved.



# Worcester Public Schools

## Budget Hearing FY18 Budget

Standing Committee on Finance and Operations

May 23, 2017



### FY18 Budget Process:

- Zero-Based Budget Examined All Spending Areas of the Budget
- Budget Recommendations based on district's **Seven Point Plan For Advancing Student Achievement and Program Sustainability**

## FY18 Budget Themes:



- Enrollment Changes & Low Inflation Rate



- Certain costs continual to exceed normal inflation.



- School Resource Needs are **significant and urgent** but exceed available revenue.



## Sources of Funding:

For each dollar received





House of Representatives Budget:

- **Foundation Budget**



- Foundation Aid District (of 92 districts)



- Continued Low Inflation Rate



- \$76 million Statewide Increase in Employee Benefit Assumption



- Continues Underfunding Charter School Reimbursement & Special Education Circuit Breaker minus(\$935,000 in FY17)



FY18 Budget Summary:



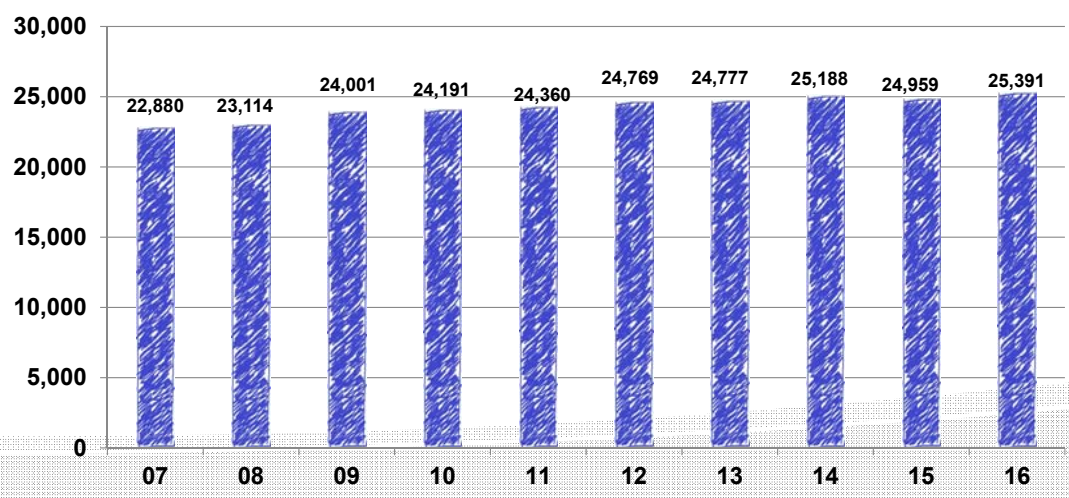
**Foundation Budget**

- Based on student enrollment as of October 1, 2016.
- State's per pupil funding formula with differentiated rates for grade or program adjusted annually for inflation.



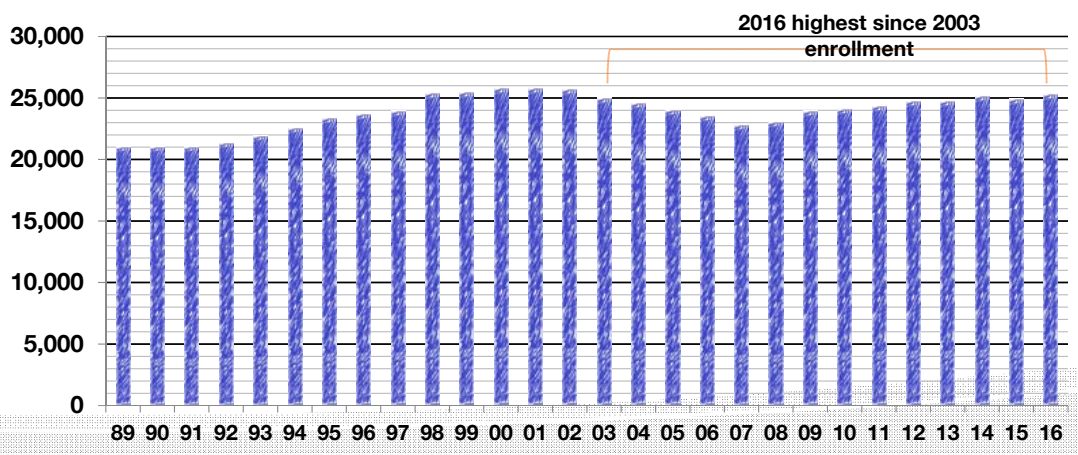
# WPS Enrollment:

| Enrollment Trends: |       |
|--------------------|-------|
| 1 year:            | 1.7%  |
| 5 year:            | 2.5%  |
| 9 year:            | 11.0% |



# WPS Enrollment:

| Enrollment Trends: |       |
|--------------------|-------|
| 10 year (2006):    | 7.5%  |
| 15 year (2001):    | -1.9% |
| 20 year (1996):    | 7.0%  |
| 25 year (1991):    | 20.6% |



1998 - Merger with Worcester Vocational Schools  
 2004 & 2007 - Closed 4 schools each year



## WPS Enrollment:

| Grades       | Enrollment<br>10/1/16 | Change from<br>Last Year |
|--------------|-----------------------|--------------------------|
| Pre-School   | 1,299                 | 35                       |
| Grades K-6   | 13,586                | 105                      |
| Grades 7-8   | 3,363                 | 71                       |
| Grades 9-12  | <u>7,143</u>          | <u>221</u>               |
| <b>Total</b> | <b>25,391</b>         | <b>432</b> 1.7%          |

Individual schools had enrollment changes from 15% to -19%



## Foundation Budget Summary:

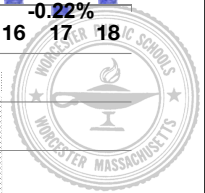
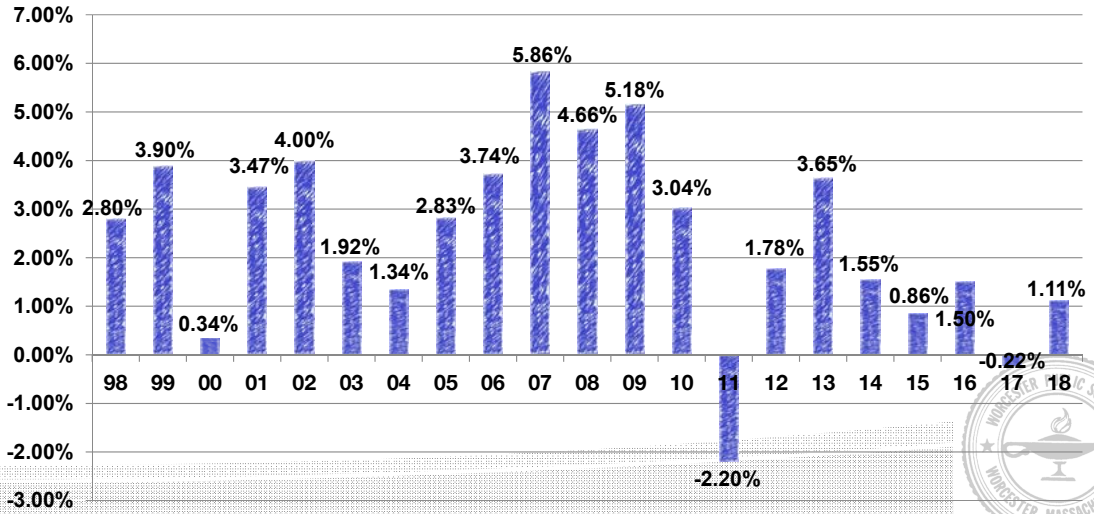
| Foundation Category                                     | Amount              |
|---|---------------------|
| Per Pupil Inflation Rate (1.11%)                        | \$3,691,752         |
| Enrollment Increase (370 students)                      | \$3,325,408         |
| Economically Disadvantaged<br>Enrollment Increase (543) | \$2,245,305         |
| Foundation Budget Employee Benefit Change               | \$2,044,126         |
| ELL Enrollment Change (Differential Funding)            | <u>-\$1,274,126</u> |
| <b>TOTAL FOUNDATION BUDGET CHANGE</b>                   | <b>\$10,032,465</b> |





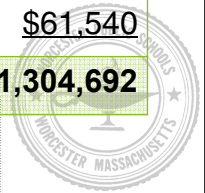
## Foundation Budget Inflation Rate:

Price Deflator Index for State & Local Governments



## FY18 General Fund Budget

| Revenue Source:                   | FY17                 | FY18                 | Change              |
|-----------------------------------|----------------------|----------------------|---------------------|
| Ch70 State Aid                    | \$235,402,232        | \$245,207,183        | \$9,804,951         |
| Charter Reimbursement             | \$1,815,469          | \$1,897,848          | \$82,379            |
| City Contribution                 | \$113,244,728        | \$114,972,243        | \$1,727,515         |
| <b>Less:</b> Charter Tuition      | -\$24,542,124        | -\$24,709,706        | \$167,582           |
| <b>Less:</b> School Choice        | -\$2,767,477         | -\$2,848,508         | \$81,031            |
| <b>Less:</b> Special Educ. Offset | <u>-\$187,025</u>    | <u>-\$248,565</u>    | <u>\$61,540</u>     |
| <b>TOTAL BUDGET</b>               | <b>\$322,965,803</b> | <b>\$334,270,495</b> | <b>\$11,304,692</b> |



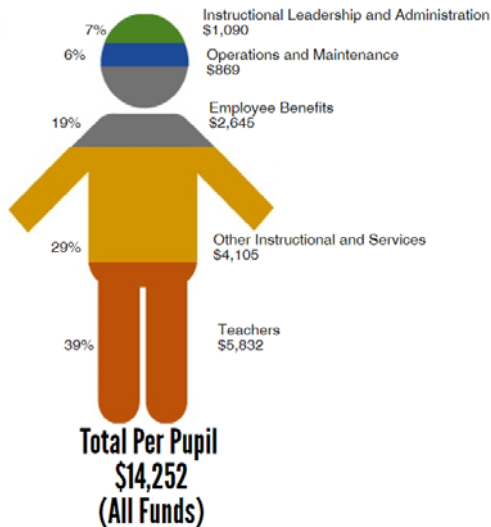


# Allocation of Funding:

For each dollar spent:



## Worcester's Per Pupil Spending FY16



|   | Worcester | Springfield | Brockton | Lynn     | Lowell   |
|---|-----------|-------------|----------|----------|----------|
| Enrollment <sup>1</sup>                     | 25,429    | 25,633      | 16,970   | 15,299   | 14,416   |
| Per Pupil Spending <sup>2</sup>             | \$14,252  | \$15,503    | \$13,742 | \$13,342 | \$14,232 |
| Student/Teacher Ratio <sup>3</sup>          | 14.2      | 12.6        | 15.9     | 14.2     | 13.8     |
| Average Class Size <sup>4</sup>             | 16.7      | 16.8        | 19.9     | 20.0     | 18.9     |
| District Accountability Status <sup>5</sup> | Level 4   | Level 4     | Level 3  | Level 3  | Level 3  |
| Average Teacher Salary <sup>3</sup>         | \$72,229  | \$65,293    | \$79,723 | \$73,395 | \$76,951 |

Source: Massachusetts Department of Elementary and Secondary Education as noted below

 **FY18 Budget Factors:**



- **Cost Increases**
- **Enrollment Shifts & Changes**
- **School and Student Supports**
- **Textbooks, Instructional Supplies & Materials, Furniture, and Technology.**



 **FY18 Cost Increases:**

| <u>Category</u>           | <u>Increase</u> |
|---------------------------|-----------------|
| Health Insurance:         | \$ 2.0          |
| Tuition                   | \$ 1.8          |
| Transportation:           | \$ 0.9          |
| Workers Comp & Retirement | \$ 0.4          |
| Translations              | <u>\$ 0.2</u>   |
| <b>Cost Increases:</b>    | <b>\$ 5.3</b>   |



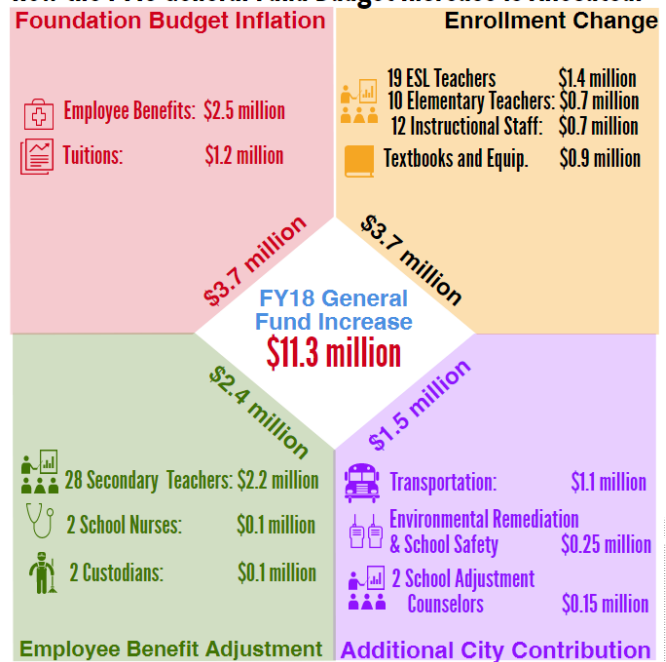
# FY18 New Spending:

| <u>Category</u>             | <u>Increase</u> |
|-----------------------------|-----------------|
| 28 Secondary Teachers:      | \$ 2.0          |
| 19 ESL Teachers:            | \$ 1.4          |
| 11 Elementary Teachers      | \$ 0.8          |
| ESL Textbooks               | \$ 0.6          |
| Special Education Positions | \$ 0.5          |
| 2 SACs, Nurses, Custodians  | \$ 0.4          |
| Secondary AP & Turnaround   | \$ 0.2          |
| Environmental Management    | \$ 0.1          |
| <b>Total New Spending:</b>  | <b>\$ 6.0</b>   |



**Funds align with how Worcester would spend Foundation Budget Review Commission Recommendations and Seven Point Financial Plan Target on New Revenues**

## How the FY18 General Fund Budget Increase is Allocated:





## Summary of FY18 Budget

|                             |               |
|-----------------------------|---------------|
| Revenue Increase:           | <b>\$11.3</b> |
| Budget Increases:           | \$ 5.3        |
| New Spending                | <u>\$ 6.0</u> |
| <b>Total Cost Increase:</b> | <b>\$11.3</b> |



## Elementary Class Size:

| Class Sizes    | Current Levels (586)* | 17-18 No added Staff | 17-18 +11 Teachers |
|----------------|-----------------------|----------------------|--------------------|
| Less than 23   | 361 (62%)             | 331 (56%)            | 374 (63%)          |
| 23-26          | 176 (30%)             | 189 (32%)            | 197 (33%)          |
| 27-30          | 46 (8%)               | 56 (10%)             | 27 (5%)            |
| 31+            | 3 (0%)                | 10 (2%)              | 0 (0%)             |
| <b>Average</b> | <b>21.5</b>           | <b>22.2</b>          | <b>21.6</b>        |

**\$0.8 million**

\* There were 587 positions budgeted in FY17; one teacher position was converted to three tutors positions to address class sizes in schools where no available classroom space to add another teacher.





## Other Notable Budget Changes :

- Adds 16 Clinician Positions (previously employed by Central Mass. Collaborative)
- Reduces 17 Instructional Assistants (assigned fulltime to Central Mass. Collaborative)
- Increases indoor/outdoor track coaches to schools due to student participation and adds soccer team to UPCS/Claremont
- Provides \$25,000 for school safety equipment and training



## School Requests not Funded:

| <u>Category</u>                        | <u>Increase</u> |
|--|-----------------|
| Textbooks replacements & new purchases | \$ 4.0          |
| 11 Teacher & Student Support           | \$ 2.1          |
| Student Furniture                      | \$ 2.0          |
| Classroom Equipment & Technology       | \$ 2.0          |
| School Based Support & Clerical        | \$ 1.3          |
| Building Repairs                       | \$ 1.0          |
| Professional Learning                  | \$ 0.5          |
| <b>School Requests Not Funded</b>      | <b>\$12.9</b>   |



 Areas to Watch:

- **Elementary Class Size**
- **Secondary Enrollment**
- **Foundation Budget Review Commission**
- **Technology Support and Maintenance**
- **Cost Centers Exceeding Inflation**



 FY18 Budget Sessions:

- **City Council: May 30<sup>th</sup>, 4pm**
- **School Committee:**
  - Thursday, June 1 and 15 at 4pm

**All meetings at City Council  
Chambers at City Hall**

